

SB 5647 - S AMD 55  
By Senator Honeyford

ADOPTED 03/07/2017

1 Strike everything after the enacting clause and insert the  
2 following:

3 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330  
4 RCW to read as follows:

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

7 (1) "Home" means a single-family residential structure.

8 (2) "Home rehabilitation" means residential repairs and  
9 improvements that address health, safety, and durability issues in  
10 existing housing in rural areas.

11 (3) "Homeowner" means a person who owns and resides permanently  
12 in the home the person occupies.

13 (4) "Low-income" means persons or households with income at or  
14 below two hundred percent of the federal poverty level as adjusted  
15 for family size and determined annually by the federal department of  
16 health and human services.

17 (5) "Rehabilitation agency" means any approved department  
18 grantee, tribal nation, or any public service company, municipality,  
19 public utility district, mutual or cooperative, or other entity that  
20 bears the responsibility for rehabilitating residences under this  
21 chapter and has been approved by the department.

22 (6) "Rural areas" means areas of Washington state defined as non-  
23 entitlement areas by the United States department of housing and  
24 urban development.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330  
26 RCW to read as follows:

27 (1) Subject to availability of amounts appropriated for this  
28 specific purpose, the low-income home rehabilitation revolving loan  
29 program is created within the department.

30 (2) The program must include the following elements:

1 (a) Eligible homeowners must be low-income and live in rural  
2 areas.

3 (b) Homeowners who are senior citizens, persons with  
4 disabilities, families with children five years old and younger, and  
5 veterans must receive priority for loans.

6 (c) The cost of the home rehabilitation must be the lesser of  
7 eighty percent of the assessed value of the property post  
8 rehabilitation or forty thousand dollars.

9 (d) The maximum amount that may be loaned under this program may  
10 not exceed the cost of the home rehabilitation as provided in (c) of  
11 this subsection.

12 (e) The interest rate of the loan must be equal to the previous  
13 calendar year's annual average consumer price index compiled by the  
14 bureau of labor statistics, United States department of labor.

15 (f) The department must allow participating homeowners to defer  
16 repayment of the loan principal and interest and any fees related to  
17 the administration or issuance of the loan. Any amounts deferred  
18 pursuant to this section becomes a lien in favor of the state and is  
19 secondary in rank over all other privileges, liens, monetary  
20 encumbrances, or other security interests affecting the real  
21 property, whenever incurred, filed, or recorded, except for local and  
22 special district property tax assessments. The department must take  
23 such necessary action to file and perfect the state's lien. All  
24 amounts due under the loan become due and payable upon the sale of  
25 the home or upon change in ownership of the home.

26 (3) All moneys from repayments must be deposited into the low-  
27 income home rehabilitation revolving loan program account created in  
28 section 4 of this act.

29 (4) The department must adopt rules for implementation of this  
30 program.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330  
32 RCW to read as follows:

33 (1) The department must contract with rehabilitation agencies to  
34 provide home rehabilitation to participating homeowners. Preference  
35 must be given to local agencies delivering programs and services with  
36 similar eligibility criteria.

37 (2) Any rehabilitation agency may charge participating homeowners  
38 an administrative fee of no more than seven percent of the home  
39 rehabilitation loan amount. The administrative fee must become a

1 component of the total loan amount to be repaid by the participating  
2 homeowner.

3 (3) Any rehabilitation agency receiving funding under this  
4 section must report to the department at least quarterly, or in  
5 alignment with federal reporting, whichever is the greater frequency,  
6 the project costs and the number of homes repaired or rehabilitated.  
7 The director must review the accuracy of these reports.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330  
9 RCW to read as follows:

10 The low-income home rehabilitation revolving loan program account  
11 is created in the custody of the state treasury. All transfers and  
12 appropriations by the legislature, repayments of loans, private  
13 contributions, and all other sources must be deposited into the  
14 account. Expenditures from the account may be used only for the  
15 purposes of the low-income home rehabilitation revolving loan program  
16 created in section 2 of this act. Only the director or the director's  
17 designee may authorize expenditures from the account. The account is  
18 subject to allotment procedures under chapter 43.88 RCW, but an  
19 appropriation is not required for expenditures.

20 **Sec. 5.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016  
21 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read  
22 as follows:

23 (1) Money in the treasurer's trust fund may be deposited,  
24 invested, and reinvested by the state treasurer in accordance with  
25 RCW 43.84.080 in the same manner and to the same extent as if the  
26 money were in the state treasury, and may be commingled with moneys  
27 in the state treasury for cash management and cash balance purposes.

28 (2) All income received from investment of the treasurer's trust  
29 fund must be set aside in an account in the treasury trust fund to be  
30 known as the investment income account.

31 (3) The investment income account may be utilized for the payment  
32 of purchased banking services on behalf of treasurer's trust funds  
33 including, but not limited to, depository, safekeeping, and  
34 disbursement functions for the state treasurer or affected state  
35 agencies. The investment income account is subject in all respects to  
36 chapter 43.88 RCW, but no appropriation is required for payments to  
37 financial institutions. Payments must occur prior to distribution of  
38 earnings set forth in subsection (4) of this section.

1 (4)(a) Monthly, the state treasurer must distribute the earnings  
2 credited to the investment income account to the state general fund  
3 except under (b), (c), and (d) of this subsection.

4 (b) The following accounts and funds must receive their  
5 proportionate share of earnings based upon each account's or fund's  
6 average daily balance for the period: The 24/7 sobriety account, the  
7 Washington promise scholarship account, the Washington advanced  
8 college tuition payment program account, the Washington college  
9 savings program account, the accessible communities account, the  
10 Washington achieving a better life experience program account, the  
11 community and technical college innovation account, the agricultural  
12 local fund, the American Indian scholarship endowment fund, the  
13 foster care scholarship endowment fund, the foster care endowed  
14 scholarship trust fund, the contract harvesting revolving account,  
15 the Washington state combined fund drive account, the commemorative  
16 works account, the county enhanced 911 excise tax account, the toll  
17 collection account, the developmental disabilities endowment trust  
18 fund, the energy account, the fair fund, the family leave insurance  
19 account, the food animal veterinarian conditional scholarship  
20 account, the fruit and vegetable inspection account, the future  
21 teachers conditional scholarship account, the game farm alternative  
22 account, the GET ready for math and science scholarship account, the  
23 Washington global health technologies and product development  
24 account, the grain inspection revolving fund, the industrial  
25 insurance rainy day fund, the juvenile accountability incentive  
26 account, the law enforcement officers' and firefighters' plan 2  
27 expense fund, the local tourism promotion account, the low-income  
28 home rehabilitation revolving loan program account, the multiagency  
29 permitting team account, the pilotage account, the produce railcar  
30 pool account, the regional transportation investment district  
31 account, the rural rehabilitation account, the Washington sexual  
32 assault kit account, the stadium and exhibition center account, the  
33 youth athletic facility account, the self-insurance revolving fund,  
34 the children's trust fund, the Washington horse racing commission  
35 Washington bred owners' bonus fund and breeder awards account, the  
36 Washington horse racing commission class C purse fund account, the  
37 individual development account program account, the Washington horse  
38 racing commission operating account, the life sciences discovery  
39 fund, the Washington state heritage center account, the reduced  
40 cigarette ignition propensity account, the center for childhood

1 deafness and hearing loss account, the school for the blind account,  
2 the Millersylvania park trust fund, the public employees' and  
3 retirees' insurance reserve fund, and the radiation perpetual  
4 maintenance fund.

5 (c) The following accounts and funds must receive eighty percent  
6 of their proportionate share of earnings based upon each account's or  
7 fund's average daily balance for the period: The advanced right-of-  
8 way revolving fund, the advanced environmental mitigation revolving  
9 account, the federal narcotics asset forfeitures account, the high  
10 occupancy vehicle account, the local rail service assistance account,  
11 and the miscellaneous transportation programs account.

12 (d) Any state agency that has independent authority over accounts  
13 or funds not statutorily required to be held in the custody of the  
14 state treasurer that deposits funds into a fund or account in the  
15 custody of the state treasurer pursuant to an agreement with the  
16 office of the state treasurer shall receive its proportionate share  
17 of earnings based upon each account's or fund's average daily balance  
18 for the period.

19 (5) In conformance with Article II, section 37 of the state  
20 Constitution, no trust accounts or funds shall be allocated earnings  
21 without the specific affirmative directive of this section."

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22 On page 1, line 2 of the title, after "program;" strike the  
23 remainder of the title and insert "reenacting and amending RCW  
24 43.79A.040; and adding new sections to chapter 43.330 RCW."

EFFECT: (1) Changes "appraised value" of the home to "assessed  
value of the property post rehabilitation."

(2) The lien on the property is changed from a priority lien to a  
secondary lien.

(3) The lien is enforced upon the sale of the home or when there  
is a change in ownership.

(4) The interest rate on the rehabilitation loan is changed from  
a variable term to a set term.

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